

Message Text

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ORIGIN COME-00

INFO OCT-01 ARA-10 IO-13 ISO-00 FEA-01 AGRE-00 CEA-01
CIAE-00 DODE-00 EB-08 FRB-03 H-01 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-01 AID-05 SS-15
STR-04 ITC-01 TRSE-00 USIA-06 PRS-01 SP-02 OMB-01
/098 R

DRAFTED BY COM:TNAD/OTP/BIEPR: DGARDNER
APPROVED BY EB/OT/TA:DJDUNFORD
COM:TNAD/OTP/BIEPR: WKRIST
STR: HLAWARENCE
COM:TNAD/OTP/BIEPR: SCRAVEN
TREASURY: EBARBER
COM:OIFI/BIEPR: VTRAVAGLINI
AGRICULTURE: JHUDSON
COM:OER/BIEPR: JMENES
STATE: RMEYER
LABOR:FLAVALLEE
ARA:ECP:WDBURSON

-----039279 020626Z /10

R 012352Z AUG 77
FM SECSTATE WASHDC
TO AMEMBASSY BRASILIA
INFO USMISSION GENEVA
AMCONSUL RIO DE JANEIRO

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USMTN FOR MTN GENEVA

E.O. 11652: N/A

TAGS: ETRD, GATT, BR

SUBJECT:NOTIFICATIONS OF SERVICES RESTRAINTS IN THE MTN
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1. THE TRADE ACT OF 1974 URGES THE PRESIDENT TO TAKE ALL
FEASIBLE STEPS TO ELIMINATE BARRIERS TO INTERNATIONAL TRADE
IN BOTH GOODS AND SERVICES AND INCLUDES SERVICES WITHIN THE
PRESIDENT'S NEGOTIATING AUTHORITY FOR THE FIRST TIME. TO
CARRY OUT THE TRADE ACT'S MANDATE ON SERVICES, STUDIES HAVE
BEEN UNDERTAKEN BY THE COMMERCE DEPARTMENT AND BY THE

ACCOUNTING FIRM OF WOLF AND COMPANY UNDER CONTRACT. THESE TWO STUDIES INDICATE A WIDE VARIETY OF RESTRAINTS AFFECTING THE INTERNATIONAL DISSEMINATION OF SERVICES SUCH AS INSURANCE, BANKING, TRANSPORTATION, CONSULTING ENGINEERING, FRANCHISING AND OTHERS. BOTH STUDIES, HOWEVER, CONCLUDE THAT THE GREAT MAJORITY OF RESTRAINTS ARE ASSOCIATED WITH INTERNATIONAL INVESTMENT, WITH A RELATIVELY SMALL PORTION BEING ASSOCIATED WITH INTERNATIONAL TRADE IN SERVICES. SINCE THE MTN IS CONCERNED WITH BARRIERS TO TRADE, INVESTMENT-ORIENTED SERVICES PROBLEMS ARE NOT APPROPRIATE FOR NEGOTIATION THERE. IN FACT, SOME OTHER COUNTRIES MAY EVEN RESIST THE INTRODUCTION OF TRADE-RELATED SERVICE PROBLEMS IN THE MTN SINCE THERE IS LITTLE PRECEDENT FOR DOING SO IN PREVIOUS TRADE NEGOTIATIONS. ACCORDINGLY, U.S. SERVICE RESTRAINT NOTIFICATIONS IN THE MTN WILL INCLUDE ONLY

SIGNIFICANT RESTRICTIONS WHICH ARE ANALOGOUS TO NONTARIFF MEASURES AFFECTING TRADE IN GOODS.

2. BASED ON THE STUDIES MENTIONED ABOVE, WE HAVE SELECTED CANDIDATES FOR NOTIFICATION IN THE MTN. THE EMBASSY IS REQUESTED TO VERIFY THE EXISTENCE OF THE RESTRICTIONS LISTED IN PARA 4 BELOW. ALSO, THE EMBASSY IS REQUESTED TO (A) SUPPLY ANY ADDITIONAL INFORMATION AVAILABLE, PARTICULARLY WITH REGARD TO THE INTENT OF THE RESTRAINT AND ANY DISCRIMINATORY ASPECTS THEREOF, (B) ASSESS THE IMPORTANCE LIMITED OFFICIAL USE

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OF EACH OF THE RESTRAINTS LISTED IN TERMS OF ITS EFFECT ON ACTUAL OR POTENTIAL U.S. TRADE IN GOODS OR SERVICES, (C) ADVISE WHETHER OTHER SIGNIFICANT RESTRAINTS ON SERVICES HAVE BEEN OVERLOOKED, AND (D) ADVISE ON THE UTILITY OF ATTEMPTING TO REDUCE OR ELIMINATE THESE SERVICE RESTRAINTS IN THE MTN.

3. AS EMBASSY MAY BE AWARE, THE SPECIAL TRADE REPRESENTATIVE HAS RECENTLY AGREED WITH THE EUROPEAN COMMUNITY ON A TIMETABLE DESIGNED TO BRING THE MTN TO AN EARLY CONCLUSION. THIS HAS AN IMMEDIATE IMPACT ON THE TIMETABLE FOR OBTAINING INFORMATION ON RESTRICTIONS THE U.S. IS INTERESTED IN RAISING IN THE MTN. PRESENT PLANS REQUIRE THAT INTERAGENCY CONSIDERATION OF NOTIFICATION TEXTS BEGIN BY AUGUST 19 SO THAT NOTIFICATIONS CAN BE TABLED IN GENEVA AS SOON AS POSSIBLE THEREAFTER. ACCORDINGLY, THE EMBASSY IS REQUESTED TO REPLY BY AUGUST 8 TO ALLOW TIME FOR COMPILING RESPONSES INTO APPROPRIATE NOTIFICATIONS.

4. (A) THE COMPUTERIZED RESERVATIONS SYSTEM OF A LOCAL COMPUTER COMPANY MUST BE USED BY ALL FOREIGN AIRLINES, EVEN THOUGH THE AIRLINES' OWN COMPUTERIZED SYSTEMS USE

DIFFERENT EDP LANGUAGES AND THE LOCAL FIRM OFTEN ENCOUNTERS OPERATIONAL DIFFICULTIES; (B) THE LAW REGULATING THE TRANSACTION OF INSURANCE IN BRAZIL LIMITS THE PLACING OF INSURANCE AND REINSURANCE ABROAD TO RISKS THAT CANNOT BE COVERED IN THE COUNTRY, AND WHENEVER THIS PLACING OCCURS IT HAS TO BE EFFECTED THROUGH THE REINSURANCE INSTITUTE (IRB); (C) WHERE IN THE PAST, PARTS OR OTHER REPLACEMENT MATERIALS WERE IMPORTED FOR USE BY THE A FRANCHISEE, BRAZIL NOW PUSHES FOR LOCAL PRODUCTION OF THESE MATERIALS; AND (D) ALL IMPORTS MUST BE INSURED IN DOMESTIC INSURANCE MARKETS EXCEPT SHIPMENTS FINANCED BY THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
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Concepts: TRADE COMPLAINTS, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 01-Aug-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Enclosure: n/a
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Errors: N/A
Expiration:
Film Number: D770276-0061
Format: TEL
From: STATE
Handling Restrictions: n/a
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ISecure: 1
Legacy Key: link1977/newtext/t197708109/aaaadowo.tel
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Original Previous Classification: n/a
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Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
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Review Exemptions: n/a
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Review Release Date: n/a
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Review Withdrawn Fields: n/a
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Subject: NOTIFICATIONS OF SERVICES RESTRAINTS IN THE MTN LIMITED OFFICIAL USE LIMITED OFFICIAL USE
TAGS: ETRD, BR, US, GATT, MTN
To: BRASILIA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/94fa2150-c288-dd11-92da-001cc4696bcc
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